Group Projects (1 to 2 persons per group).

All participants in the group will get the same grade.If there is an issue where a student is not working then the group needs to talk to me no later 5/24 than . The written portion of the project will be due Wednesday, **May 31**, and the **Presentations will begin June 1st (Thursday)** . All Presentation material by all groups must be submitted on June **1st (5 points deducted for each actual (sat and Sunday count) days late**. Powerpoints, etc…should be emailed or shared with me at my address. . No project will be accepted after June 5th (a default grade of 40 will be entered)

You will need to choose your group and topic by end of class Thursday 5/18.

**Group project** = 1 Test Grade 4th Quarter

**Written project**- 3 to 5 pages in memorandum form plus relevant graphs and tables->60% grade

**Presentation**- 15 to 25 minutes (1 to 2 presentations per day)40% grade.

Presentations must use graphs and tables to help illuminate the subject matter

Topics

One to a group unless below

1. Start up Business- (2 groups can select this project) create a ***realistic FULL TIME- NOT PART TIME*** business plan (all information provided will have to be cited and justified)-and provide an economic analysis of your plan- including

a. Select a product

b. Market- create a focus group (videotape), to help determine product and potential consumer base

c. Financing—Fixed and Variable costs- size of operation, how much will it cost and where will you get the money from? Seed money, partnership? Corporation?

d. Location of Production- Why? Where? How?

e. Stream of Commerce—getting the product from Production site to retail market

f. Pricing the product and covering costs –variable and fixed, DON’T FORGET OPPORTUNITY COSTS AND econ profit?

g. Promoting the product.- Where? Costs?

h. Expansion?

2. Balazs and McKinsey Consulting (2 groups can select this project)- choose a business in the lower Fairfield County area and help it develop a business plan based on its current market, costs, competition, and other issues. You will need to work with a real company/business to help develop this-(you will need to advise me by Thursday 5/19 through email- or have chosen another topic). Your memorandum should incorporate recommendations that will improve their bottom line (economic profit), as well as an analysis of its costs (fixed and variable), its customer base, their demand curve, price and income elasticity (Ability to price discriminate), advertising/promoting campaign and other relevant issues.

3. Regulating Wall Street- Background, current theory, positives, negatives and conclusion. You must address externalities (positive and negative) and moral hazard (assess Dodd-Frank)

4. Current issues in Game Theory—Summarize and present contemporary issues in Game theory, be ready to devise and test the class using a game theory application.

5. Homo Economicus- Current studies in behavioral psychology and the ordinary rational person. You should be ready to discuss before the class and give an example/test using a recent theory in behavioral psychology and economics.

6. Development Economics- Helping the 3rd World. Current issues in development theory, including a critical examination of micro-lending. What works best?

**Additional projects!! ( you can work with one partner)**

7. **Money Market Manager**

Develop a portfolio for 2 of the 4 potential clients ( you can work w/another)

1. 30 yr old, unmarried, $50,000 to invest, earns 115,000 yearly, strong earnings potential. Lives in Norwalk. Renter. No real estate tax
2. 40 yr old married couple, $300,000 to invest, earns $225,000. Two children 13 and 15, minimal savings for college. No built in retirement fund. Lives in Darien. Purchase house in 2006 for 1 M, w/a 800k mortgage, house’s current value, approx.. 1.4M real estate taxes 12,000 yearly
3. 50 yr old married couple, earn $95,000 yearly, no retirement funds other than a minimal 401k through work ($60,000). Purchased home in 1995, $250,000 currently worth $800,000, live in Norwalk, real estate taxes $4,000 yearly
4. 60 yr old married couple, $250,000 to invest, earn $135,000 year, children are now adults, at 65 will receive a pension of 25,000 per year, Purchase house in 1992, 350k, 200k 30 yr mortgage, house’s Fair Market Value, 600k lives in Stamford, real estate taxes 7,000 yearly

Your portfolio should allocate monies to stocks, bonds and a portion to cash. You will have to include a pie chart showing the allocation, as well as provide a table/spreadsheet with the various investments

You should also try to determine the likely rate of growth of the investments

It is important that you research how age, family, savings etc…may influence appropriate allocations of investment funds. Your 3 portfolios should be qualitatively different.

Your individual portfolios should include at least 3 equities (stocks) traded on the NYSE or the NASDAQ. Only one of the stocks can be purchased for both clients and you will have to explain how and why that stock is a good investment for people with such different backgrounds

At least one fixed investment (ie. Bond) should be part of each portfolio. You can’t purchase the same fixed investment for both clients

For each stock

You will need to find out the ticker symbol (between 1 and 3 letters for NYSE, 4 letters for NASDAQ)

When selecting your stock you must provide the following information

1. Name of the Stock and ticker symbol
2. Current # Shares outstanding, and its Capitalization
3. Primary product line or service provided (don’t simply copy and paste)
4. What do you consider is the “good will” value of the Company (describe, you do not have to assess the “dollar value” of the good will)
5. 2014 REVENUE (NOT PROFIT), 2013REVENUE, and the most recent quarter
   1. When is the start and finish of the corporations’ fiscal year.
6. Competitors (at least 2)
   1. Explain how they are competitors
7. Brief bio on Chairman of the Board, CEO and CFO. This information should include, Years with the company, Education Background, prior work experience. AT LEAST ONE OF THE INITIAL STOCK PURCHASES SHOULD BE PRIMARILY BASED UPON THIS CRITERIA. DO NOT SIMPLY COPY AND PASTE FROM THE INTERNET. YOU MUST EXPLAIN WHAT FACTORS ABOUT THE EXECUTIVES LED YOU TO YOUR DECISION. If you can’t locate the information, you will be excused provided you give information regarding what you did to locate it and that its’ clear you made a good faith attempt to find the information.
8. Chart showing its 3 month average price
9. Chart showing its 2 year average prices
10. 52 Week High, 52 Week Low
11. Earnings for the last year and quarter
12. P/E ratio
13. Dividend, if any
14. **Why you selected this stock (one paragraph or more), rationale. This should be a detailed description, based upon the research you conducted. One sentence summaries will not be acceptable.**

You will maintain in a binder with a record of all the above information for each stock, you will maintain separate spreadsheets on your computer, as well as a hard copy for each month’s work. Each company should have a separate subfolder. You will provide a chart showing the stocks performance during your ownership on a monthly basis. You will also have a chart that shows the aggregate value of your portfolio for each month. You will also analyze the rate of return (% up/down) for your stocks and portfolio over the prior month. The Chart for the portfolio will be prepared with an excel spreadsheet.

**Fixed income security**

Name, interest rate, maturity, rating. Analysis of the risk/reward.

**Cash**

How much, why?

9. **Municipal Project (with a partner)**

It is extremely likely you will need someone from the Town’s government to help you with this project. Much of the material is available through the Freedom of Information Act and is required to be released to the public, however its likely you can get the information without resorting to formal procedures if you explain this is a school project. You will need to schedule an appointment with DPW.

Select and analyze a recently completed local project (ie. Beach improvements, library, police station). Research how the decision was made to begin the project (cost/benefit analysis), what the actual costs of the project were. How long was the project supposed to take to complete, how long did it really take? If the costs were less/more than estimated explain why. What externalities are involved with the project (“ why should it be a public good”?), please have more than generalities.

How can the success of the project be determined? Come up with a means to assess the value of the improvement, ie. Questionnaires, attendance? Etc… There should be a specific method provided.

Example

Recently it was announced that the power plant located on the water in South Norwalk was being deactivated. What should be the future use of the property? Public v. Private? If Private, what are the costs/benefits, externalities etc…, if Public, what type of project? Park? Beach? Open Space? Analyze and calculate the cost/benefit ratio for the project. Note this area most likely has brownfields that needs to be remediated.

10. **Microlending (individual project- however several can choose this project)**

KIVA (individual project- more than one person can participate)

Find 4 projects throughout the world, one to a continent and invest.

Analyze the viability of the project, the recipient and how you made your decision to invest.

Research, describe and assess, through non-KIVA sources (ie. More objective), the obstacles and relative success of prior KIVA microlending stories. You will need to not simply describe what KIVA does but critiques on the effectiveness of KIVA as well as microlending itself.